

SECTION 4. INTERCHANGE AGREEMENTS

1907. GENERAL.

A. An interchange agreement is a subset of a dry lease agreement. An interchange agreement permits an air carrier to dry lease aircraft to another air carrier for short periods of time. The aircraft may be listed on the operations specifications of both common carriage operators at the same time. The registration markings of each aircraft must be listed on the operations specifications of each Part 121 and Part 135 operator. Each certificate holder must obtain prior approval from the Administrator before it conducts any operation using any aircraft.

B. FAR 129.11(a)(4) requires that the registration markings of each U.S.-registered aircraft used by a foreign air carrier shall be included in the foreign air carrier's operations specifications. See volume 2, chapter 4 for guidance on approving operations specifications for foreign air carriers.

NOTE: FAR 121.3, 125.11, 129.11, and 135.11 prohibit the listing of an aircraft on both private carriage operations specifications and common carriage operations specifications at the same time.

1909. APPROVAL PROCEDURES. Matters which are commonplace in the normal operations of an air carrier frequently present major problems in an aircraft interchange. Therefore, special emphasis must be given to the review, approval, and monitoring of this type of operation. The following direction and guidance is relevant when an application is received for an aircraft interchange.

A. Each air carrier party to an interchange agreement will submit an application for amendment of its operations specifications to the district office having jurisdiction over its operations specifications. Each air carrier will submit a copy of the interchange agreement or a written memorandum of its terms as part of the application.

B. Assigned inspectors will review the application and conduct the necessary evaluations and/or inspections to assure compliance with the FAR's. The results of these reviews and inspections will be coordinated between the appropriate district offices having jurisdiction over the operations specifications of the parties to the interchange agreement. Close coordination between the concerned principal operations, maintenance, and avionics inspectors must be maintained.

C. Important details may be overlooked, unless interchange operations are closely monitored. For example, life rafts and emergency radios have been

found improperly stowed during overwater flights on aircraft which have no provisions for their stowage. In another example, an emergency radio was found unsecured on the flight deck where it could have created a hazardous condition in turbulent weather. Equipment variances such as this and nonstandard cockpit arrangements of switches, instruments, and controls can be potentially dangerous unless effective training or corrective changes are accomplished before operation and are closely monitored thereafter.

1911. AMENDING OPERATIONS SPECIFICATIONS.

A. When all items have been found satisfactory, the operations specifications of both the primary and interchange operators shall be amended by the issuance of paragraph A29 to each operator. The primary operator is the certificate holder who would normally operate the aircraft if the interchange agreement were not in effect. The interchange operator is the other party to the interchange agreement. The names of each party shall be entered in the appropriate column of paragraph A29 of each operational specifications.

B. The aircraft make, model, and series shall be entered in the appropriate column of paragraph A29 of the operations specifications. In addition, the registration markings of each aircraft to be used in the interchange agreement must be identified in paragraph D85 of the primary and interchange operator's operations specifications. For most interchange agreements, the registration markings of the aircraft to be interchanged will have previously been entered in paragraph D85 of the primary operator's operations specifications.

C. The interchange points shall be entered in the appropriate column of paragraph A29 of the primary and interchange operator's operations specifications. The transfer of flightcrews and operational control responsibility shall take place only at the airports specified in the interchange points column of paragraph A29 of each operations specifications.

D. Additional conditions, limitations, and safety related requirements shall be included in paragraph A29 of the primary and interchange operator's operations specifications as authorized by FAR 121.25, 121.45, 129.11, and 135.11.

1912. - 1916. RESERVED.

